DOCUMENT RESUME

ED 193 729 CS 503 103

AUTHOR Williams, Timothy
TITLE Negotiation Process Analysis: A Research and Training Tool.
PUB DATE May 80
NOTE 20p.; Paper presented at the Annual Meeting of the International Communication Association (30th, Acapulco, Mexico, May 18-23, 1980).

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Behavioral Science Research; Communication Problems; Communication Research; *Interaction; *Interaction Process Analysis; *Measurement Techniques; Research Methodology; *Speech Communication
IDENTIFIERS *Negotiation Processes

ABSTRACT

This paper proposes the use of interaction process analysis to study negotiation behaviors. Following a review of current literature in the field, the paper presents a theoretical framework for the analysis of both labor/management and social negotiation processes. Central to the framework described are two systems of activities that together account for most of the behaviors that are unique to negotiation interactions: competitive behaviors used to control the division of limited resources ("hard" bargaining) and cooperative behaviors designed to increase the joint gain available to both negotiating parties ("soft" bargaining). The paper next presents a research instrument for use in negotiation process analysis that uses the format of an instrument developed for small group process analysis and which divides the process variables into three categories: soft negotiation acts, hard negotiation acts, and general negotiation acts. In conclusion, the paper discusses the applications of this instrument to negotiation research and negotiation training activities. (FL)

**********
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
**********

ED193729

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

# NEGOTIATION PROCESS ANALYSIS:

# A RESEARCH AND TRAINING TOOL

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Timothy Williams

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Paper presented at:

XXX Annual Conference
International Communication Association
May 18-23, 1980
Acapulco, Mexico

Author:

Timothy Williams, Ph.D
Arbitrator and Professor of
Speech Communication
Southern Oregon State College

CS 503/03

## NEGOTIATION INTERACTION ANALYSIS

One of the currently popular labor relations textbooks dismisses the subject of negotiation process with this one sentence paragraph: "Negotiation is so personal an art, and its practice so dependent upon the mixture of personalities present, as well as the circumstances and issues, that little of a general nature can be said that would be valid in all cases" (Beal, Wickersham and Kienast p. 227). Unfortunately this perspective is common with most labor relations books written on collective bargaining.* These books generally approach the communication activities of the bargaining table as if the process were an art form, without regular pattern and difficult if not impossible to teach.

The behavioral sciences do treat the negotiation process with much more respect. Considerable research has studied a wide range of variables associated with negotiation acts. Much of this research, however, remains cloaked in academic language and of little functional use to the practitioner. For the student who wishes to develop negotiation skills, the behavioral sciences provide good background reading and a conceptual

*For example, Neil Chamberlain and James Kuhn, Collective Bargaining, New York, McGraw Hill, 1965, pp. 51-81, is a chapter titled, "Negotiation Process" but the chapter discusses procedure and does not refer at all to process. Max Wortman Jr. and C. Wilson Randale, Collective Bargaining Principles and Practice, Borton, Houghton Mifflin, 1966, pp. 178-208, is a chapter titled "Contract Negotiation", but again focuses much more on procedure than bargaining acts.

frame from which to negotiate. But, adapting current theory and research into a training model for negotiators remains difficult if not impossible. Current research has not provided sufficient information on actual process and content primarily because of the absence of process analysis methodologies and the application of those methodologies to negotiated settlements. This paper will: 1) review current literature on negotiation process analysis, 2) develop a theoretical framework for negotiation process analysis, 3) present a research tool for negotiation process analysis and 4) discuss the applications of the tool to negotiation research and negotiation training activities.

Negotiation Process Analysis Literature

The idea of utilizing interaction analysis to study negotiation behavior, while not novel, is relatively new and unexplored. Smith (1969), using a content analysis methodology, studied the effect of negative and positive statements on negotiation success. He categorized verbal behavior into five areas: 1) strongly negative, 2) negative, 3) mildly negative, 4) mildly positive, and 5) positive. Using video tapes of negotiation sessions, he compared the verbal differences between successful and unsuccessful negotiations.

Zechmeister and Druckman (1973) also used a content analysis methodology in studying conflict in political decision making. Their coding scheme focused on the arguments presented by the negotiators. Arguments were placed in two groups, cog-

nitive arguments and value arguments, and these two groups were evaluated on the basis of whether the arguments were designed to show similarity with the opposition, difference with the opposition or neutral.

A second approach to studying negotiation process involves the modification of Bales' Interaction Process Analysis to make it more suitable for negotiation research. Walcott (1971) used a simplified version of the Interaction Process Analysis to study budgetary decision making groups. McGrath and Julian (1963) altered the Bales system in their negotiation research to make it more reflective of negotiation behavior.

Walcott, Hopmann and King, working separately and together, developed an elaborate bargaining process analysis tool. Their work represents an effort to construct a comprehensive interaction analysis system which could be applied to a variety of negotiation situations. The development occurred in two stages with the first stage producing the BPA (bargaining process analysis) and the second stage the BPA II. Both instruments relied heavily on the work of Bales in small group interaction and Schelling's work on negotiation theories and practice.

The BPA (Hopmann 1974, Walcott, Hopmann and King 1977) views the bargaining process in the context of small group interaction. This tool had thirteen separate categories arranged under five headings which included substantive behavior, strategic behavior, task behavior, affective behavior and procedural behavior. The three categories found under the

Strategic heading come from the work of Schelling (1960). The categories found under the Task and Affective headings come from the work of Bales (1950).

The BPA II (Hopmann, King and Walcott 1977) keeps the same basic structure as the BPA but adds one new heading, "Persuasive Behavior," and adds additional categories for coding bargaining process (BPA II is included as an appendix to this paper). The development of BPA II was motivated by the desires of the authors to have a more comprehensive process interaction tool with a refined category system.

The BPA and BPA II have been used both for research and educational purposes. Hopmann (1974) used the BPA to study the impact of bargaining process on the level of agreement during negotiations of the Seabed Denuclearization Treaty. He found evidence that soft strategies resulted in a greater level of agreement relative to hard strategies (soft variables were initiations, accommodations and promises and hard variables were retractions, commitments and threats). BPA and BPA II (Hopmann and Walcott 1976) were used to study a variety of bargaining variables in laboratory simulations of Nuclear Test Ban Treaty negotiations.

The work of Hopmann, Walcott and King is a significant effort towards providing a process coding scheme for negotiation behavior. Two important problems still remain which must be resolved to provide a process analysis system with broad applicability. First the system must reflect a general behavioral theory of negotiations just as Bales' system reflects Parson's

small group theory. The categories of the BPA reflect small group theory and Schelling's work on negotiation tactics. Schelling's work is an attempt to present a "tactical approach to the analysis of bargaining" (Schelling 1960 p. 21), but does not attempt a comprehensive theory of negotiation behavior.

The second problem is the need for an analysis system which allows easy, on-site coding of negotiations. Hopmann, King and Walcott (1977 p. 5) critique the BPA II by stating, "The complexity of the system may make 'live' coding virtually impossible, forcing one to rely either on transcripts or on video taped recordings of negotiations." For a negotiation process analysis instrument to be functional for either training or research purposes it must be simple enough for efficient and effective usage.

Negotiation Theory and Process Analysis

The Negotiation Process Analysis instrument presented in this paper is based on a theoretical framework developed by Walton and McKersie (1965 and 1966). They attempted a comprehensive treatment of the negotiation process. While much of their work focuses on labor negotiations, the result is not a labor relations text but rather a general theory of social negotiations.

Central to this theory are two systems of activities which together account for most of the behavior which is unique to negotiation interactions. The first system is made up of competitive behaviors that are used to control the division of

limited resources. This system is called distributive or hard bargaining. Deutsch (1973 p. 162) notes that competitive negotiations "stimulates the view that the solution of the conflict can only be of the type that is imposed by one side on the other by superior force, deception or cleverness . . ." The tactics of "threat," "commitment" and "promise" discussed by Schelling (1960) are all essential processes in hard bargaining.

The second system is constructed of primarily cooperative behaviors designed to increase the joint gain available to the negotiating parties. This system is called integrative or soft bargaining. The essential characteristic of this process is the effort by the two parties, through a problem/solution approach, to increase the amount of payoff available to the parties, thereby increasing the likelihood of a win/win solution. The process foregoes pressure tactics for an approach that encourages openness, trust and sharing.

A central issue in the negotiation theory developed by Walton and McKersie is the interface between the two systems. The parties to a negotiation must choose between hard and soft approaches. But these choices involve dilemmas which make the negotiation process difficult. Soft bargaining is dependent upon thorough and accurate exchanges of information. Hard bargaining is characterized by communication that is power oriented, coercive and misleading. Soft bargaining increases the chance for joint gain, but also increases the chance of exploitation through the utilization of hard bargaining by the

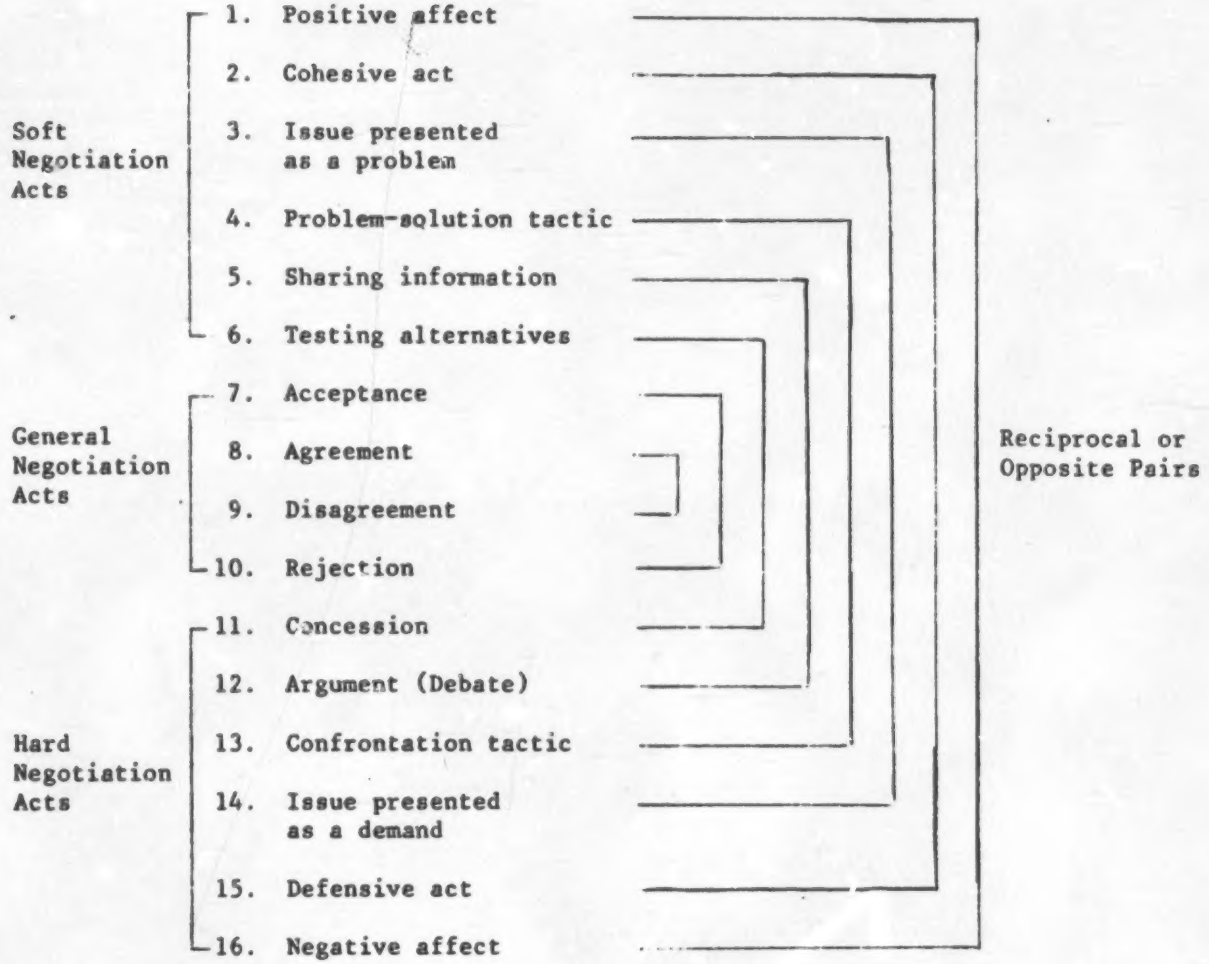
opposing party. Hard bargaining increases the chances of self gain, decreases the chances for joint gain through problem solving and increases the likelihood of no settlement. The basic dilemma is that the utilization of one approach effectively forecloses on the other.

Negotiation Process Analysis Instrument

The Negotiation Process Analysis (NPA) instrument presented in this paper (see following page) uses the same format as that developed by Bales for small group process analysis but substitutes a totally new set of process variables. The process variables are divided into three general categories: soft negotiation acts, hard negotiation acts and general negotiation acts. The format of opposite of reciprocal pairs seemed particularly applicable for negotiation process analysis since hard and soft bargaining are primarily reciprocal or opposite behaviors.

The NPA was pretested on video-taped classroom simulations and the results indicated that the system was easily learned and applied with a high level of reliability. The individual process variables are not necessarily mutually exclusive. Variables 1, 2, 15 and 16 are concerned primarily with behaviors which reflect the relationship between the negotiators. Variables 3 through 14 relate to the behaviors associated with task accomplishment. The variables are explained by their reciprocal or opposite pairings.

NEGOTIATION PROCESS ANALYSIS
CODING SCHEME



1. Positive Affect — 16. Negative Affect

The affect dimension is directed to behaviors which show positive or negative feelings about the opposing party. Positive affect would include behaviors that demonstrate friendliness, a relaxed manner, satisfaction, attraction, liking and generally good feelings about the person or situation. Negative affect includes behaviors that show irritability, hostility, dislike, dissatisfaction and bad feelings about the person or situation. This pair of variables is central in defining the basic relationship between the spokespersons and between the parties.

2. Cohesive Act — 15. Defensive Act

This reciprocal pair focuses on behaviors which encourage the parties to work cooperatively or to work competitively. Cohesive acts are those which demonstrate an acceptance of the legitimacy of the other party and their goals. A cohesive act shows trust in the other party and the desire to work towards joint gain. Defensive acts are behaviors which refuse to recognize a party or their goals as legitimate. Defensive acts also show a lack of trust and a desire to work in a win/lose environment. This pair of variables provides another relational dimension to negotiation interaction.

3. Issue Presented as a Problem — 14. Issue Presented as a Demand

How the parties choose to present an issue for consideration greatly influences whether the work process will be hard or soft. Presenting an issue as a problem encourages the parties

cooperatively to find a solution that meets the needs of both parties. Presenting an issue as a demand influences the parties to attempt a competitive solution to the problem. Demand behavior is as much a nonverbal element as verbal. A demand clearly indicates to the opposition a settlement point, the acceptance of which resolves the problem.

4. Problem-Solution Tactic — 13. Confrontation Tactic

Schelling (1960 p. 21) presents an essay which he argues is a tactical analysis of bargaining. He limits this approach by indicating that the essay will not be concerned "with the part of bargaining that consists of exploring for mutually profitable adjustments . . .," therefore the essay is on hard bargaining. The work focuses on the confrontation tactics of threat, promise and commitment. These tactics are obviously a dimension of hard bargaining since they are pressure or power approaches used to help a party win their position on an issue. Problem-solution tactic is concerned with facilitating the "exploration for mutually profitable adjustments." A problem-solution tactic is any behavior which encourages the parties to jointly explore an issue for the purposes of uncovering solutions which would increase joint gain. This soft approach assumes that the thorough exploration of an issue may result in a rethinking of the problem and thereby the discovery of a win/win solution.

5. Sharing Information — 12. Argument (Debate)

Soft bargaining is dependent on the willingness of the parties to share accurate information about the problem.

Walton and McKersie (1966 p. 373) view this process as "reality testing" and see the behaviors as "testing the assumptions about the motives, needs and preferences of others, and about the present state of the situation. The reality testing also includes assessment of the current dissatisfactions being experienced by either or both parties." Hard bargaining involves a much more closed system of communication. Here arguments are used as a weapon by which to achieve victory (beat the other guy). Arguments or communication are often used to mislead or intimidate the other. Arguments are of the "why I am right and you are wrong" nature.

6. Testing Alternatives — 11. Concession

Final resolution of an issue in soft bargaining comes about through the testing of potential, alternative solutions. Any behavior which attempts to pool information about alternatives and their consequences would be considered part of this variable. Resolution in hard bargaining generally comes through a series of concessions. The original demands of the two parties establish the outside parameters for settlement and settlement occurs on a line somewhere between those two points. Settlement may occur anywhere on the line including the original demands, which would indicate capitulation by one of the parties. Any behavior indicating a shift of position along the settlement line would be coded as a concession.

7. Acceptance — 10. Rejection

This pair of general negotiation acts are coded neither hard nor soft bargaining as they occur in both. When a nego-

tiator accepts the other party's proposal, accepts a retraction, a concession or expresses agreement with the other party's position, then the behavior is coded as acceptance. When a negotiator rejects a proposal, alternate solution, or expresses disagreement with the other party's position, then the behavior is coded as rejection.

8. Agreement -- 9. Disagreement

This pair of general negotiation acts are concerned with the analysis of issues that the parties engage in and occur in both hard and soft bargaining. Agreement behavior includes the acceptance by a negotiator of the other party's issue analysis, descriptive statement (e.g., statistical data or predictions) and/or agrees with evidence or interpretation of it. Disagreement behavior includes the rejection by a negotiator of the other party's issue analysis, descriptive statement and/or evidence, including the interpretation of it.

Applications of NPA

The NPA was developed for use in on-site coding of negotiation sessions. Clearly the instrument can be used as effectively for laboratory research but the original purpose was for use during actual negotiations. The basic function of the instrument is to measure the extent of hard and soft bargaining acts. Hopmann (1974) compared the ratio of hard and soft acts using the BPA in studying the U.S.-Russian negotiations over the Seabeds Denuclearization Treaty. The NPA can more easily accomplish that task since, unlike the BPA, it was specifically

designed to measure hard and soft bargaining. The ability to measure hard and soft bargaining is important because it allows the researcher to compare the ratios of hard and soft to the overall success of the negotiation parties.

The NPA can also be used to measure changes in the ratios of hard to soft when different variables affect the negotiation process. For example, many states require that public sector labor negotiations be conducted in an open meeting. Most professionals dislike this arrangement, arguing that public bargaining increases the percentage of hard bargaining acts. At the current time no measurements have been taken to compare the ratio in a closed meeting versus an open meeting. The NPA can be used effectively for such a purpose.

Besides the research functions, the NPA can be used as a training tool. Strauss (1969) discusses the importance of naming behavior as a determinant of action. He argues that the act of classification directs overt action. By labeling a behavior, a process analysis instrument is providing the actor a method for controlling that behavior. The NPA provides a label or name for different negotiation acts and therefore can be used with video replay of simulated neogitation sessions to help the actor fix labels to behavior.

## REFERENCES

Bales, F. F. Interaction Process Analysis. Cambridge, Mass.: Addison-Wesley, 1950.

Beal, Edwin F., Edward D. Wickersham and Philip Kienast. The Practice of Collective Bargaining. Homewood, Illinois: Richard D. Irwin, Inc., 1972.

Deutsch, Morton. "Conflicts: Productive and Destructive," in Fred Jandt, Conflict Resolution Through Communication. New York: Harper and Row, 1973. pp. 155-197.

Druckman, Daniel. Negotiations, Social-Psychological Perspectives. Beverly Hills: Sage Publications, 1977.

Hopmann, P. T. "Bargaining in Arms Control Negotiations: The Seabeds Denuclearization Treaty." International Organization, Vol. 28, No. 3, pp. 313-344, 1974.

Hopmann, P. T. and C. Walcott. "The Impact of International Conflict and Détente on Bargaining in Arms Control Negotiations: An Experimental Analysis." International Interactions, Vol. 2, pp. 189-206, 1976.

Hopmann, P. Terrence, Timothy King and Charles Walcott. "Bargaining Process Analysis II." Paper prepared for Harold Scott Quigley Center of International Studies, University of Minnesota, April, 1977.

McGrath, J. E. and J. W. Julian. "Interaction Process and Task Outcome in Experimentally-Created Negotiation Groups." Journal of Psychological Studies, Vol. 14, pp. 117-138, 1963.

Pruitt, Dean G. and Steven A. Lewis. "The Psychology of Integrative Bargaining," in Daniel Druckman (ed.), Negotiations, Social-Psychological Perspectives. Beverly Hills: Sage Publications, 1977. pp. 161-192.

Schelling, T. C. The Strategy of Conflict. New York: Oxford University Press, 1960.

Smith, David H. "Bad Guys Finish First: A Study of the Behavior of Successful Negotiators." Unpublished paper presented at the Western States Speech Convention, Nov. 24, 1969.

References, continued:

Strauss, Anselm L. Mirrors and Masks, The Search for Identity. San Francisco: The Sociology Press, 1969.

Walcott, C. "Incrementalism and Rationality: An Experimental Study of Budgetary Decision-Making." Experimental Study of Politics, Vol. 1 (December), 1971, pp. 1-34.

Walcott, Charles, P. Terrence Hopmann and Timothy D. King, "The Role of Debate in Negotiation," in Daniel Druckman (ed.), Negotiations, Social-Psychological Perspectives. Beverly Hills: Sage Publications, 1977. pp. 161-162.

Walton, R. E. and R. B. McKersie. A Behavioral Theory of Labor Negotiation. New York: McGraw-Hill, 1965.

Walton, R. E. and R. G. McKersie. "Behavioral Dilemmas in Mixed-Motive Decision Making." Behavioral Science, Vol. 11, 1966, pp. 370-384.

Zechmeister, K. and D. Druckman. "Determinants of Resolving a Conflict of Interest: A Simulation of Political Decision-Making." Journal of Conflict Resolution, Vol. 17, 1973, pp. 63-88.

## APPENDIX

## BPA II CODING SCHEME

A. Substantive Behavior: Behaviors directly associated with the subject matter of negotiations.

1. Initiations: Actor advances a substantially new proposal or states his/her own substantive position for the first time.

2. Acceptances: Actor accepts another's proposal, accepts a retraction or accommodation, or expresses agreement with another's position.

3. Rejections: Actor rejects another's proposal, rejects an accommodation or retraction, or expresses disagreement with another's position.

4. Accommodations: Actor concedes a point to another, or retracts a proposal in the face of resistance.

5. Retractions: Actor retracts a previously made initiation or accommodation or modifies a previously stated position so as to make the position clearly less agreeable to another.

B. Strategic Behavior: Behavior designed to affect the behavior of other actors in the negotiations, but not implying a substantive change of position on the part of the initiator.

1. Commitments: Actor takes a position or reiterates it with a clear statement that it will not be changed under any circumstances and/or declares his/her own position non-negotiable.

2. Threats: Actor offers negative consequences (sanction or withholding of a potential reward) if another does not behave in a stated manner.

3. Promises: Actor offers positive consequences (reward or withdrawal of sanction) if another behaves in a stated manner.

4. Demands: Actor calls on another to make accommodations or demonstrate willingness to negotiate.

C. Persuasive Behavior: Behavior designed to affect choices of other actors through use of evidence and arguments.

1. Negative Predictions (Warnings): Actor warns of negative consequences (over which actor has incomplete control) from acting in a stated manner.

2. Positive Predictions: Actor predicts positive consequences (over which actor has incomplete control) from acting in a stated manner.

3. Supporting Argument-Self: Actor justifies or provides a general argument in favor of actor's own substantive position or presents evidence to support position.

4. Supporting Argument-Other: Actor justifies or provides general argument in favor of another actor's substantive position or presents evidence to support position.

5. Attacking Arguments: Actor provides general argument against a substantive position or presents evidence against position.

D. Task Behavior: Behavior primarily designed to promote business-like discussion and clarification of issues.

1. Agreements: Actor accepts another's descriptive statement (e.g., prediction or fact) or agrees with evidence or interpretation of it.

2. Disagreements: Actor rejects another's descriptive statement or disagrees with evidence or interpretation of it.

3. Requests Information: Actor requests information, inquires as to another's position or intention, or requests clarification or justification of a position.

4. Requests Reaction: Actor requests reaction to actor's own proposals by another actor.

5. Provides Information: Actor supplies information, provides clarification of a position, or reiterates a previously stated position.

6. Provides Reaction: Actor provides reaction to another's proposals in response to request or makes comments about another's proposals.

7. Paraphrases: Actor paraphrases or represents positions of another actor.

8. Accepts Paraphrase: Actor evaluates another's paraphrases as accurate.

9. Rejects Paraphrase: Actor evaluates another's paraphrases as inaccurate.

10. Exploratory Problem-Solving: Actor promotes the exploration of alternatives and the search for mutually beneficial outcomes on a tentative, noncommittal basis.

11. Perception of Similarity: Actor identifies or expresses similarity with another's position.

12. Perception of Dissimilarity: Actor identifies or expresses dissimilarity with another's position.

E. Affective Behavior: Behavior in which actors express their feelings or emotions toward one another or toward a situation.

1. Positive Affect: Actor jokes or otherwise attempts to relieve tension, attempts to create feelings of solidarity in the group, and expresses approval or satisfaction with individual or group performance or with the situation.

2. Negative Affect: Actor becomes irritable or otherwise shows tension, criticizes another in general terms, expresses disapproval or dissatisfaction with individual or group performance or with the situation.

F. Procedural Behavior: Behavior designed to move the discussion along through focus on procedures of discussion or methods of organization.

1. Subject Change: Actor attempts or proposes to divert discussion from one substantive topic to another.

2. Procedural Suggestion: Actor proposes general approach for organization of meetings.

3. Subject Suggestion: Actor proposes a specific approach for examining or dealing with issues.

4. Procedural Agreements: Actor agrees with another's procedural suggestion or subject suggestion, agrees to change of subject, or accepts another's substantive proposal as the basis for negotiation.

5. Procedural Disagreements: Actor disagrees with another's procedural suggestion, subject suggestion, change of subject, or rejects another's substantive proposal as the basis for discussion or negotiation.